

SENATE MOTION

MADAM PRESIDENT:

I move that Senate Bill 229 be amended to read as follows:

- 1 Page 1, line 9, delete "10" and insert "7".
- 2 Page 1, line 11, delete ""consortium program"" and insert
- 3 ""**department**"".
- 4 Page 1, line 11, after "to" insert "**the department of insurance**
- 5 **created by IC 27-1-1-1.**".
- 6 Page 1, delete lines 12 through 17.
- 7 Page 2, delete lines 1 through 3.
- 8 Page 2, line 4, delete "6." and insert "**4.**".
- 9 Page 2, line 12, delete "7." and insert "**5.**".
- 10 Page 2, line 14, delete "10" and insert "7".
- 11 Page 2, line 15, delete "8." and insert "**6.**".
- 12 Page 2, line 17, delete "members for losses" and insert "**the**
- 13 **consortium;**".
- 14 Page 2, delete line 18.
- 15 Page 2, line 19, delete "excess" and insert "**stop-loss**".
- 16 Page 2, line 20, after "consortium" insert ".".
- 17 Page 2, delete lines 21 through 30.
- 18 Page 2, line 31, delete "10." and insert "**7. (a)**".
- 19 Page 2, line 32, delete "enter into an agreement" and insert
- 20 "**establish a trust under Indiana law**".
- 21 Page 2, line 34, after "institutions" insert "**jointly**".
- 22 Page 2, line 34, delete "program" and insert "**self-insurance fund**".
- 23 Page 2, line 35, delete "of joint self-insurance".
- 24 Page 2, line 36, delete "excess" and insert "**stop-loss**".
- 25 Page 2, line 36, delete ", including any of the following:" and insert
- 26 "**. The coverage for retained risks or stop-loss insurance coverage**
- 27 **provided for through the trust may include any of the following**
- 28 **types of coverage:**
- 29 (1) **Property and casualty coverage.**
- 30 (2) **Worker's compensation coverage.**
- 31 (3) **Employee health coverage.**

1 (4) Employee vision coverage.

2 (5) Employee dental coverage.

3 (6) Other coverage.

4 (b) If the coverage described in subsection (a)(3), (a)(4), or (a)(5)
5 is provided through the self-insurance fund, the coverage must be
6 provided through a multiple employer welfare arrangement
7 regulated under IC 27-1-34."

8 Page 2, delete lines 37 through 42.

9 Page 3, delete lines 1 through 5.

10 Page 3, line 6, delete "11." and insert "8."

11 Page 3, delete lines 9 through 42, begin a new paragraph and insert:

12 "Sec. 9. A trust created under section 7 of this chapter is subject
13 to regulation by the department as follows:

14 (1) The trust be registered with the department.

15 (2) The trust shall:

16 (A) retain a total risk for the self-insurance fund of not
17 more than one hundred twenty-five percent (125%) of the
18 amount of expected claims for the following year; and

19 (B) obtain stop-loss insurance issued by an insurer
20 authorized to do business in Indiana to cover losses in
21 excess of the amount retained under clause (A).

22 (3) Contributions by the members must be set to fund one
23 hundred percent (100%) of the total risk retained under
24 subdivision (2)(A) plus all other costs of the trust.

25 (4) The trust shall maintain a fidelity bond in an amount
26 approved by the department, covering each person
27 responsible for the trust, to protect against acts of fraud or
28 dishonesty in servicing the trust.

29 (5) The trust is subject to IC 27-4-1-4.5 regarding claims
30 settlement practices.

31 (6) The trust shall, before March 1 of each year, file an annual
32 financial statement in the form required by IC 27-1-3-13.

33 (7) The trust is not a member of the Indiana insurance
34 guaranty association under IC 27-6-8. The liability of each
35 member is joint and several.

36 (8) The trust is subject to examination by the department. The
37 trust shall pay all costs associated with an examination.

38 (9) The department may deny, suspend, or revoke the
39 registration of the trust if the commissioner finds that the
40 trust:

41 (A) is in a hazardous financial condition;

42 (B) refuses to be examined or produce records for
43 examination; or

44 (C) has failed to pay a final judgment rendered against the
45 trust by a court within thirty (30) days.

46 Sec. 10. The department may adopt rules under IC 4-22-2 to
47 implement this chapter."

- 1 Delete pages 4 through 8.
(Reference is to SB 229 as printed January 30, 2006.)

Senator LUBBERS